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SUBJECT: Kazakhstani Koreans Wield Disproportionate Influence

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Summary  
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¶1. (SBU) Summary: Kazakhstan's ethnic Korean minority has made great strides in the country's business and political spheres since independence, with a number of them holding influential positions. The success Kazakhstani Koreans have achieved in the post-Soviet era is a product of their higher rates of urbanization and education as well as their role as facilitators for South Korean investment. While members of other minority groups emigrated from Kazakhstan in large numbers during the 1990's, few ethnic Koreans chose to do so, and Kazakhstan became a destination for ethnic Koreans emigrating from elsewhere in Central Asia. End Summary.

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Koreans in Kazakhstan  
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¶2. (U) An estimated 100,000 ethnic Koreans -- about 0.7 percent of the country's population -- reside today in Kazakhstan. Like many of Kazakhstan's minority communities, ethnic Koreans came to inhabit Kazakhstan as the result of Stalinist-era deportations. In 1937, the mass resettlement of Koreans living in the Russian Far East was ordered on the pretense that they posed a security risk to the Soviet Union during a period of tensions Korea's colonial master, Imperial Japan.

¶3. (U) Kazakhstani Koreans were assimilated into ethnic Russian -- rather than ethnic Kazakh -- culture during the Soviet era. Today, most speak only Russian and only the elderly still have knowledge of Korean. According to Alexander Kim, the Chairman of the Astana branch of the Association of Koreans in Kazakhstan, marriages between Koreans and non-Koreans are common and carry no social stigma. Today, no evidence of tensions between Koreans and Kazakhs or any other group in this multi-ethnic society is readily apparent.

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Influence Greater Than Numbers  
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¶4. (SBU) Ethnic Koreans hold a disproportionately large presence in Kazakhstan's business sphere. Ethnic Kazakhs sometimes refer to Kazakhstani Koreans as the "tortinshi zhuz," i.e., "the fourth horde," because of their influence and propensity for supporting each other. (Comment: Ethnic Kazakhs are divided into three hordes or "zhuzes," the Great Horde or Uli Zhuz, the Middle Horde or Orta Zhuz, and the Small Horde or Kishi Zhuz. End Comment.) According to Professor German Kim, a leading expert on the Korean diaspora in the former Soviet Union, Kazakhstani Koreans are often stereotyped by other Kazakhstanis as being generally affluent.

15. (U) Several Kazakhstani Koreans are particularly noteworthy figures in the country's business and political spheres. For instance, Vladimir Kim and Vladimir Ni are close associates of President Nazarbayev and serve on the board of Kazakhmys, Kazakhstan's largest copper mining company. Victor Tsoi heads the Ak Ayul construction company, one of Kazakhstan's largest, and was elected as a deputy to the Majilis -- the lower chamber of Kazakhstan's parliament --- in September 2007. Oleg Nam is currently the Chairman of the Board of Kuat, a large construction company hit hard by the reverberations of the global financial crisis. The previous Kuat chairman, Yuriy Tckhay, is also a Kazakhstani Korean. Tckhay is currently the President of Caspian Bank and since 1999 has been the Chairman of the Political Council of the ruling Nur Otan (previously Otan) party. Finally, Georgiy Kim served as Kazakhstan's Minister of Justice during 2002-03 and since 2004 has been the Deputy Procurator General.

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Roots of Success  
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16. (SBU) Higher rates of education and urbanization among Kazakhstani Koreans during the Soviet period left members of this group well-positioned to prosper in a market economy. According to Professor German Kim, Soviet Koreans were twice as likely to obtain a higher education as the population in general. Moreover, Kazakhstani Koreans were -- and continue to be -- concentrated in cities. This has allowed them to take advantage of Kazakhstan's hydrocarbon-driven economic boom which has spurred dramatic economic growth in urban areas over the last decade, but left behind much of rural Kazakhstan.

17. (SBU) Investments in Kazakhstan by South Korean companies have also benefited Kazakhstani Koreans. When South Korean companies first entered Kazakhstan in the early 1990's, local Koreans often served as the foundation for their investment projects, according to Chungho Tae, a Second Secretary from the South Korean Embassy in Kazakhstan. Many Kazakhstani Koreans went to work for South Korean firms, gaining valuable business experience and an understanding of modern business practices. Furthermore, many South Korean multinationals developed business relationships with local Kazakhstani Korean-owned companies, assisting the survival and development of those firms in the pivotal years of economic shocks in the 1990's. However, as Kazakhstani Korean companies become more confident, they are no longer satisfied with the subordinate position they once held and are increasingly insisting on dealing with South Korean companies on even terms, according to Jong-mun Won, a First Secretary from the South Korean Embassy.

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Here to Stay  
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18. (SBU) While many of Kazakhstan's ethnic Russians and Germans have been able to take advantage of laws in Russia and Germany which have facilitated their emigration from Kazakhstan, no such option is available to Kazakhstani Koreans. According to Yang Goo Lee, the head of the South Korean Embassy's Astana office, his government's policy is not to encourage their immigration to South Korea, but rather to promote their retention of their language and culture in Kazakhstan. Alexander Kim of the Association of Koreans in Kazakhstan added that Kazakhstani Koreans have not been able to immigrate to South Korea because of that country's rather onerous requirements to obtain residency. In any case, he contended, Kazakhstani Koreans are not interested in emigrating.

19. (SBU) Kazakhstan has also become a destination for ethnic Koreans emigrating from elsewhere in Central Asia. The first wave of ethnic Korean immigrants arrived in the 1990's as refugees from the Civil War in Tajikistan and in recent years they have been joined by Uzbekistani Koreans attracted by the prospect of economic opportunities in Kazakhstan. Members of these groups, like other impoverished immigrants to Kazakhstan, are more likely to face levels of discrimination which their ethnic kin native to Kazakhstan have so far not encountered, according to Professor German Kim.

Comment

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¶10. (SBU) Kazakhstani Koreans perceive that ethnic Kazakh nationalism is on the rise and could some day threaten the great strides their community has made to succeed in the post-Soviet world. They are heavily supportive of President Nazarbayev in part because they see him as a reliable bulwark against Kazakh nationalism. In a country where economic success is frequently dependent on government connections -- or at least the absence of state interference -- Kazakhstani Koreans remain concerned about a post-Nazarbayev era, and the prospects that a successor administration could be inclined to more aggressively promote the interests of Kazakhs over Koreans and other minority groups. End Comment.